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DD10/20/11

23 Sunlet Bend  
Inlet Cove  
Kiawah Island, SC 29455

October 16, 2011

Public Service Commission of South Carolina  
Attn: John E. "Butch" Howard, Chairman (District 1),  
Commissioners and Members  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

Dear Sir, Commissioners and Members:

I wish to make reference to Docket # 2011-90-WS Application of Kiawah Island Utility, Incorporated for Adjustment of Rates and Charges.

My wife and I own a cottage in a regime on Kiawah Island. We are pleased to hear that PSC is holding hearings on the reference Docket on Kiawah Island making it easier for property owners to attend. Unfortunately neither one of us will be at Kiawah on the 20<sup>th</sup> of this month.

We agree that a second water line is needed both for backup and for the developer to complete the build-out of his remaining properties. However, we feel that you must consider whether it is economically fair for rate-payers to pay the entire cost of installing the new water line.

We also believe that operating cost increase is also a function of the growing number of ratepayers and that this needs to be examined and clearly delineated. Also, comparisons with other "South Region" utilities may not be a reasonable benchmark unless they are regulated the same as privately owned utilities in South Carolina.

As stated above we own a cottage in a regime and will have to pay any increase granted three times. Once as a residential rate-payer; once as a member of Kiawah Island Community Association and once as a regime member because both the Community Association and the regime have irrigation costs. It appears to us that a 39% increase in water rates needs serious justification. If expenditures increased at such a rapid rate since the last increase why didn't KIU apply for an increase sooner?

Finally, we believe that this complicated application with its increase in operating expenses plus new water line on Kiawah clouds the issue and therefore request that PSC analyze the application in detail. We would like to see the rate application separated from the water line and hold the water line application until the new owner is aboard.

Sincerely Yours,



Robert J Feldman